HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Canada Highlights*

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Fall 2009

National rental vacancy rate increased to 2.8 per cent in October 2009

The average rental apartment vacancy rate in Canada's 35 major centres[1] increased to 2.8 per cent in October 2009 from 2.2 per cent in October 2008.

Demand for rental housing in Canada decreased due to slower growth in youth employment and improved affordability of homeownership options. Rental construction and competition from the condominium market also added upward pressure on vacancy rates.

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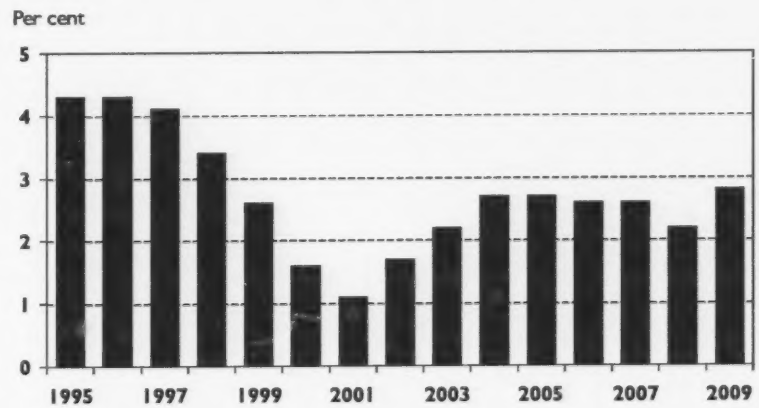
Figure 1

Canada* Average Vacancy Rate
Apartment Structures of Three or More Units, Privately Initiated



Source: CMHC, Rental Market Survey
*Weighted average of the major centres surveyed

*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.
[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs) with the exception of the Ottawa-Gatineau CMA which is treated as two centres for Rental Market Survey purposes and Charlottetown, which is a Census Agglomeration (CA).

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Approximately 15,657 rental apartments were completed in metropolitan areas between October 2008 and September 2009, up 9 per cent from the number completed in the year ending September 2008. The number of condo completions was 45,655 units in the 12 months ending September 2009, up 13 per cent from the 40,404 completed in the year ending September 2008. Condominiums can have an impact on vacancy rates, because they are a relatively inexpensive form of housing that is often purchased by renter households making the switch to home ownership. Condos also help supplement the rental market because, in some cases, they are purchased by investors who in turn rent them out.

Vacancy rates increased in all provinces except Nova Scotia and Newfoundland and Labrador

Vacancy rates in October 2009 increased in eight out of ten provinces. Vacancy rates increased in Alberta (up 3.0 percentage points to 5.5 per cent), New Brunswick (up 0.2 percentage point to 3.8 per cent), Prince Edward Island (up 0.5 percentage point to 3.1 per cent), British Columbia (up 1.8 percentage points to 2.8 per cent), Quebec (up 0.2 percentage point to 2.4 per cent), Saskatchewan (up 0.7 percentage point to 1.9 per cent), and Manitoba (up 0.2 percentage point to 1.1 per cent). Vacancy rates were lower in Newfoundland and Labrador by 0.1 percentage point to 1.0 per cent, and in Nova Scotia by 0.4 percentage point to 3.1 per cent.

The centres with the highest vacancy rates in 2009 were Windsor (13.0 per cent), Abbotsford (6.1 per cent), Peterborough (6.0 per cent), Calgary (5.3 per cent), and London (5.0 per cent). On the other hand, the major urban centres with the lowest vacancy rates were Regina (0.6 per cent), Québec (0.6 per cent), St. John's (0.9 per cent), Winnipeg (1.1 per cent), Kingston (1.3 per cent), and Victoria (1.4 per cent).

Figure 2

Lower employment growth among Canada's youth constrained rental demand in October 2009

Total Employment, Ages (20 to 24), Seasonally Adjusted (000s)

Source: Statistic Canada

Vancouver registered the highest average monthly rents for two-bedroom apartments

The highest average monthly rents for two-bedroom apartments in new and existing structures were in Vancouver ($1,169), Calgary ($1,099), Toronto ($1,096), and Ottawa ($1,028) followed by Edmonton ($1,015), Victoria ($1,001), and Barrie ($961). The lowest average monthly rents for two-bedroom apartments in new and existing structures were in Saguenay ($518), Trois-Rivières ($520), and Sherbrooke ($553).

Comparisons of year-over-year rents in new and existing structures need to be made with care because rents in newly-built structures tend to be higher than in existing buildings. However, by excluding new structures, we can get a better indication of actual rent increases paid by most tenants. The average rent for two-bedroom apartments in existing structures increased in all major centres. The largest rent increases in existing structures were recorded in Regina (10.2 per cent), Saskatoon (8.3 per cent), Victoria (5.0 per cent), and St. John's (4.9 per cent). Overall, the average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased by 2.3 per cent between October 2008 and October 2009.

CMHC's October 2009 Rental Market Survey also covers condominium apartments offered for rent in Calgary, Edmonton, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, and Victoria. In 2009, vacancy rates for rental condominium apartments were below two per cent in seven of the 10 centres surveyed. Rental condominium vacancy rates were the lowest in Toronto, Saskatoon, and Ottawa.

Continued on page 3...

However, Regina and Edmonton registered the highest vacancy rates for condominium apartments at 3.0 per cent and 3.1 per cent in 2009, respectively.

The survey showed that vacancy rates for rental condominium apartments in 2009 were lower than vacancy rates in the conventional rental market in Ottawa, Saskatoon, Vancouver, Toronto, Edmonton, and Calgary. The highest average monthly rents for two-bedroom condominium apartments were in Toronto ($1,487), Vancouver ($1,448), Calgary ($1,310), and Victoria ($1,223). All surveyed centres posted average monthly rents for two-bedroom condominium apartments that were higher than average monthly rents for two-bedroom private apartments in the conventional rental market in 2009.

The average monthly rent for a two-bedroom unit in the remaining secondary rental market[2] was lower than the average rent in the conventional rental apartment market in fourteen of the fifteen centres surveyed. In Kelowna, the average monthly rent for a two-bedroom unit in the secondary rental market was higher than in the conventional rental market.

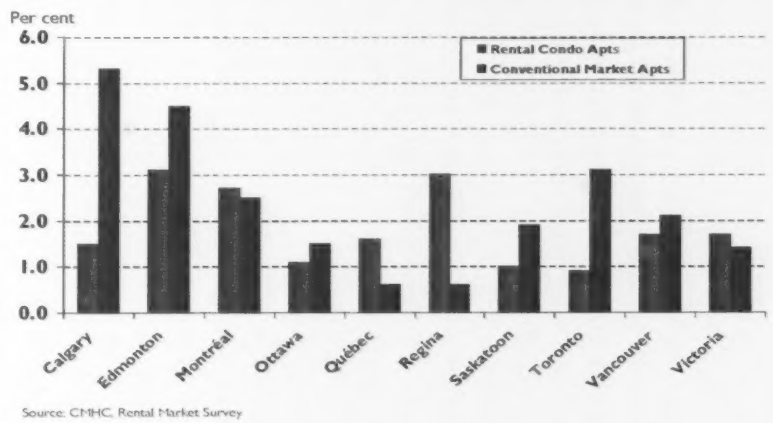
Rental affordability up in eight out of twenty-three centres

CMHC produces a local rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. A generally accepted rule of thumb for affordability is that a household should spend less than 30 per cent of its gross income on housing. This indicator examines a three-year moving average of median income of renter households and compares it to the median rent for a two-bedroom apartment in the centre in which they live. An indicator value of 100 indicates that 30 per cent of the median income of renter households is necessary to rent a two-bedroom apartment going at the median rent. In general, as the rental affordability indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

The level of a household's income and the level of rents determine affordability, which varies in different markets in different parts of the country. The affordability indicator increased in 2009 in 8 centres, it decreased in 11 centres, while it remained unchanged in 4 centres across Canada. Calgary (up 10.6 per cent to 118), Saguenay (up 8.7 per cent to 152) and Sherbrooke (up 5.3 per cent to 151) recorded the strongest affordability index increase, which means that they became more affordable. On the other hand, Victoria (minus 7.5 per cent to 95), Thunder Bay (minus 7.3 per cent to 87) and Hamilton (minus 5.5 per cent to 101) recorded the biggest decreases in affordability. Table 6.0 provides the rental affordability indicators for a number of major centres.

Figure 3

Vacancy rates for Rental Condominium Apartments and Private Apartment Structures of Three Units and Over, 2009



Source: CMHC, Rental Market Survey

[2] The remaining secondary rental market (excluding condominiums) includes the following types of units:
- rented single-detached houses;
- rented double (semi-detached) houses;
- rented freehold row/town houses;
- rented duplex apartments;
- rented accessory apartments;
- rented apartments which are part of a commercial or other type of structure containing one or two dwelling units.

The remaining secondary rental market (excluding condominiums) was surveyed in the following centres: Abbotsford, Barrie, Calgary, Edmonton, Halifax, Kelowna, Montréal, Ottawa, Québec, St. John's, Toronto, and Vancouver.

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Oct-08	Oct-09	Oct-08	Oct-09	Oct-08	Oct-09	Oct-07 to Oct-08	Oct-08 to Oct-09
Newfoundland & Labrador 10,000+	**1.1 a**	**1.0 a**	**1.6 a**	**1.3 a**	**596 a**	**634 a**	**3.7 a**	**4.8 a**
St. John's CMA	0.8 a	0.9 a	1.5 a	1.2 a	630 a	677 a	3.8 a	4.9 a
Prince Edward Island 10,000+	**2.6 a**	**3.1 b**	**4.0 a**	**4.3 a**	**660 a**	**688 a**	**3.1 d**	**4.7 a**
Charlottetown CA	2.3 a	3.4 b	4.0 a	4.9 a	672 a	701 a	3.3 d	4.6 a
Nova Scotia 10,000+	**3.5 a**	**3.1 a**	**4.0 a**	**3.4 a**	**795 a**	**838 a**	**2.0 a**	**2.8 a**
Halifax CMA	3.4 a	2.9 a	3.9 a	3.2 a	833 a	877 a	2.0 a	2.8 a
New Brunswick 10,000+	**3.6 a**	**3.8 a**	**4.0 a**	**4.2 a**	**635 a**	**656 a**	**2.6 a**	**3.0 a**
Moncton CMA	2.4 a	3.8 a	3.1 b	4.3 a	656 a	675 a	2.2 a	2.0 a
Saint John CMA	3.1 a	3.6 a	3.5 a	4.1 a	618 a	644 a	4.8 b	4.5 b
Québec 10,000+	**2.2 a**	**2.4 a**	**2.8 a**	**3.1 a**	**628 a**	**640 a**	**2.1 a**	**2.8 a**
Ottawa-Gatineau CMA (Que. Part)	1.9 a	2.2 a	2.4 a	2.7 a	677 a	690 a	0.8 d	2.4 a
Montréal CMA	2.4 a	2.5 a	3.1 a	3.3 a	659 a	669 a	2.1 b	2.6 a
Québec CMA	0.6 a	0.6 a	1.2 a	1.0 a	653 a	676 a	2.0 b	3.5 c
Saguenay CMA	1.6 a	1.5 a	2.2 a	2.4 a	518 a	518 a	1.5 d	4.0 b
Sherbrooke CMA	2.8 a	3.9 a	2.9 a	4.3 a	543 a	553 a	2.0 b	2.8 a
Trois-Rivières CMA	1.7 a	2.7 a	2.1 a	3.0 b	505 a	520 a	3.0 b	2.1 b
Ontario 10,000+	**2.7 a**	**3.5 a**	**4.3 a**	**5.5 a**	**948 a**	**955 a**	**1.9 a**	**2.0 a**
Barrie CMA	3.5 a	3.8 b	6.0 a	6.0 a	954 a	961 a	4.7 d	1.2 a
Brantford CMA	2.4 a	3.3 b	2.8 a	3.9 b	752 a	754 a	2.7 b	1.1 a
Greater Sudbury CMA	0.7 a	2.9 a	1.6 a	3.3 b	800 a	830 a	5.6 b	4.7 c
Guelph CMA	2.3 a	4.1 a	4.5 a	6.6 a	869 a	874 a	1.6 a	1.3 a
Hamilton CMA	3.2 a	4.0 a	4.9 a	7.0 a	836 a	831 a	1.5 b	1.1 a
Kingston CMA	1.3 a	1.3 a	2.6 a	2.5 a	880 a	909 a	3.1 b	2.3 a
Kitchener CMA	1.8 a	3.3 a	4.3 a	6.1 a	845 a	856 a	0.9 a	1.7 a
London CMA	3.9 a	5.0 a	6.4 a	7.7 a	834 a	896 a	1.2 a	1.2 a
St. Catharines-Niagara CMA	4.3 a	4.4 a	6.8 a	6.3 a	777 a	804 a	2.1 a	2.2 b
Oshawa CMA	4.2 a	4.2 a	5.7 a	6.1 a	889 a	900 a	1.2 a	1.2 a
Ottawa-Gatineau CMA (Ont. Part)	1.4 a	1.5 a	2.9 a	3.5 a	995 a	1,028 a	3.7 a	2.9 a
Peterborough CMA	2.4 a	6.0 b	4.3 b	7.7 a	850 a	875 a	2.0 b	2.1 b
Thunder Bay CMA	2.2 a	2.3 a	2.7 a	3.1 a	719 a	742 a	1.3 a	2.9 a
Toronto CMA	2.0 a	3.1 a	3.7 a	5.0 a	1,095 a	1,096 a	1.7 a	2.2 a
Windsor CMA	14.6 a	13.0 a	16.8 a	14.9 a	772 a	747 a	++	++

(Continued)

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

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Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Oct-08	Oct-09	Oct-08	Oct-09	Oct-08	Oct-09	Oct-07 to Oct-08	Oct-08 to Oct-09
Manitoba 10,000+	**0.9 a**	**1.1 a**	**1.4 a**	**1.8 a**	**748 a**	**788 a**	**3.5 a**	**4.1 a**
Winnipeg CMA	1.0 a	1.1 a	1.4 a	2.0 a	769 a	809 a	3.5 a	4.3 a
Saskatchewan 10,000+	**1.2 a**	**1.9 a**	**2.1 a**	**2.7 a**	**766 a**	**833 a**	**15.7 a**	**8.7 a**
Regina CMA	0.5 a	0.6 a	1.2 a	1.2 a	756 a	832 a	13.5 a	10.2 a
Saskatoon CMA	1.9 a	1.9 a	3.2 a	3.4 a	841 a	905 a	20.3 a	8.3 a
Alberta 10,000+	**2.5 a**	**5.5 a**	**3.8 a**	**6.9 a**	**1,077 a**	**1,044 a**	**7.1 a**	**-1.9 c**
Calgary CMA	2.1 a	5.3 a	3.9 a	7.5 a	1,148 a	1,099 a	4.4 b	**
Edmonton CMA	2.4 a	4.5 a	3.3 a	5.6 a	1,034 a	1,015 a	9.2 a	++
British Columbia 10,000+	**1.0 a**	**2.8 a**	**1.7 a**	**3.6 a**	**969 a**	**1,001 a**	**5.3 a**	**2.8 a**
Abbotsford CMA	2.6 a	6.1 a	3.4 a	6.7 a	765 a	781 a	4.1 c	3.0 a
Kelowna CMA	0.3 a	3.0 a	1.4 a	3.9 a	967 a	897 a	8.4 a	++
Vancouver CMA	0.5 a	2.1 a	1.1 a	2.8 a	1,124 a	1,169 a	4.6 a	2.6 a
Victoria CMA	0.5 a	1.4 a	1.5 a	2.6 a	965 a	1,001 a	6.8 a	5.0 a
Canada CMAs (1)	2.2 a	2.8 a	3.2 a	4.1 a	828 a	836 a	2.9 a	2.3 a
Canada 10,000+	2.3 a	3.0 a	3.3 a	4.2 a	804 a	812 a	3.0 a	2.4 a

[1] Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2] The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

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n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

4.1 Rental Condominium Apartments and Private Apartments in the RMS[1] Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental Oct-09

Centres	Vacancy Rates (%)		Average Rent ($) 2 Bedroom		Percentage of Condo Apts in Rental vs. Ownership
	Rental Condo Apts	Apts in the RMS[1]	Rental Condo Apts	Apts in the RMS[1]	
Calgary CMA	1.5 a	5.3 a	1,310 a	1,099 a	25.6 a
Edmonton CMA	3.1 c	4.5 a	1,122 a	1,015 a	24.2 a
Montréal CMA	2.7 a	2.5 a	1,070 b	669 a	9.7 a
Ottawa-Gatineau CMA (Ont. Part)	1.1 a	1.5 a	1,193 b	1,028 a	19.0 a
Québec CMA	1.6 a	0.6 a	829 b	676 a	8.0 a
Regina CMA	3.0 c	0.6 a	n/a	832 a	15.8 a
Saskatoon CMA	1.0 a	1.9 a	n/a	905 a	14.2 a
Toronto CMA	0.9 a	3.1 a	1,487 a	1,096 a	20.3 a
Vancouver CMA	1.7 b	2.1 a	1,448 b	1,169 a	23.8 a
Victoria CMA	1.7 a	1.4 a	1,223 b	1,001 a	17.5 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

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n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

4.2 Rental Condominium Apartments

Vacancy Rates (%), Average Rents ($) and Percentage of Condominium Apartments in Rental

Centres	Vacancy Rates (%)				Average 2 Bedroom Rent ($)				Percentage of Condominium Apartments in Rental vs Ownership			
	Oct-08		Oct-09		Oct-08		Oct-09		Oct-08		Oct-09	
Calgary CMA	3.5	b	1.5	a	1,293	b	1,310	a	18.0	a	25.6	a
Edmonton CMA	4.3	c	3.1	c	1,099	b	1,122	a	23.3	a	24.2	a
Montréal CMA	3.2	b	2.7	a	1,037	b	1,070	b	9.4	a	9.7	a
Ottawa-Gatineau CMA (Ont. Part)	0.5	a	1.1	a	1,103	b	1,193	b	19.1	a	19.0	a
Québec CMA	1.3	a	1.6	a	**		829	b	8.4	a	8.0	a
Regina CMA	0.3	a	3.0	c	n/a		n/u		11.7	a	15.8	a
Saskatoon CMA	1.8	b	1.0	a	n/a		n/u		11.5	a	14.2	a
Toronto CMA	0.4	a	0.9	a	1,625	b	1,487	a	19.1	a	20.3	a
Vancouver CMA	0.6	a	1.7	b	1,507	c	1,448	b	22.1	a	23.8	a
Victoria CMA	2.0	b	1.7	a	1,096	b	1,223	b	16.9	a	17.5	a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

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Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

5.1 Other Secondary Rented Unit[1] Average Rents ($) by Dwelling Type

	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-08	Oct-09	Oct-08	Oct-09	Oct-08	Oct-09	Oct-08	Oct-09	Oct-08	Oct-09
Abbotsford CMA	n/s	n/s	656 d	**	722 b	769 b	1,113 a	1,119 a	910 b	948 a
Barrie CMA	**	n/s	803 d	839 c	942 b	920 b	1,144 a	1,154 a	1,041 a	1,046 a
Calgary CMA	n/s	n/s	674 d	**	1,014 b	987 b	1,244 a	1,289 b	1,125 a	1,155 b
Edmonton CMA	n/s	n/s	707 c	**	936 b	841 b	1,204 b	1,189 b	1,078 b	1,049 b
Halifax CMA	**	n/s	570 b	591 c	771 c	687 c	897 b	900 b	792 b	790 b
Kelowna CMA	n/s	**	847 c	**	976 c	960 b	1,270 b	1,238 b	1,092 b	1,086 b
Montréal CMA	**	n/s	477 b	533 b	654 a	622 a	845 b	788 a	665 a	650 a
Ottawa-Gatineau CMA (Ont. Part)	**	n/s	**	888 c	943 b	996 b	1,062 a	1,128 b	1,009 b	1,063 a
Québec CMA	**	n/s	491 b	493 b	597 a	621 b	735 b	728 b	581 a	626 a
Regina CMA	n/s	n/s	**	**	661 b	667 b	859 c	819 b	764 b	804 b
St. John's CMA	**	n/s	460 b	536 c	568 b	564 b	737 b	777 b	618 a	653 b
Saskatoon CMA	n/s	n/s	**	**	736 b	832 b	958 a	970 b	888 b	876 b
Toronto CMA	**	n/s	**	**	1,083 b	1,055 b	1,330 b	1,239 b	1,109 b	1,130 b
Vancouver CMA	**	n/s	796 d	730 c	979 b	931 b	1,340 b	1,379 b	1,069 b	1,101 b
Victoria CMA	**	**	792 b	776 b	1,004 b	992 b	1,186 b	1,289 b	1,029 a	1,081 a

[1] Statistics for secondary rented units exclude apartments in purpose built rental structures with three rental units or more, condominium apartments, units in institutions, and any dwelling whose type could not be identified in the survey.

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent (0 le cv le 2.5), b – Very good (2.5 lt cv le 5), c – Good (5 lt cv le 7.5)

d – Fair (Use with Caution) (7.5 lt cv le 10)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

6.0 Rental Affordability Indicator

Centres	2008E*	2009E*
Calgary CMA	106	118
Edmonton CMA	111	112
Halifax CMA	112	109
Hamilton CMA	107	101
Kitchener CMA	121	121
London CMA	123	126
Montréal CMA	138	142
Oshawa CMA	100	98
Ottawa-Gatineau CMA (Ont. Part)	104	103
Ottawa-Gatineau CMA (Que. Part)	129	127
Québec CMA	124	121
Regina CMA	111	106
Saguenay CMA	140	152
Saskatoon CMA	100	101
Sherbrooke CMA	143	151
St. Catharines-Niagara CMA	106	108
Sudbury CMA	88	88
Thunder Bay CMA	94	87
Toronto CMA	90	91
Vancouver CMA	99	98
Victoria CMA	103	95
Windsor CMA	89	89
Winnipeg CMA	101	100

* Estimate

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in 2008 vs. $550 in 2009 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2008 and 2009 Fall Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data from sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. In October 2006, CMHC has introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights , Provincial Highlights, and the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. In 2009, rented condominium apartments were surveyed in the following CMAs: Vancouver, Victoria, Calgary, Edmonton, Regina, Saskatoon, Toronto, Ottawa, Montréal and Québec (NOTE: condo rent data was not collected for Regina and Saskatoon). Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montreal, Ottawa, Quebec, St. John's, Toronto, Regina, Saskatoon, Kelowna, Vancouver and Victoria.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 and 2006 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a new rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. The level of income required for a household to rent a median priced two-bedroom apartment, using 30 per cent of its income, is calculated. The three-year moving average of median income of households in a centre is then divided by this required income. The resulting number is then multiplied by 100 to form the indicator. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2005. CMHC has developed forecasts of median renter household income for 2006, 2007, 2008 and 2009.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

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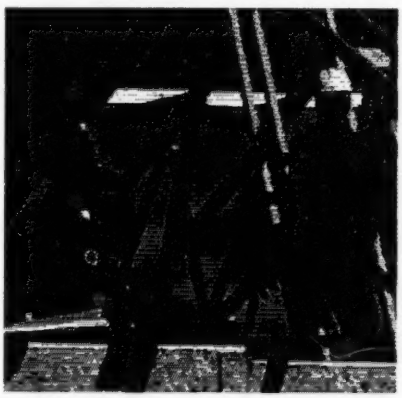

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